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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE BOARD OF PATENT APPEALS
AND INTERFERENCES

Ex parte JEFFREY P. BEZOS, GUS LOPEZ, and JOEL R. SPIEGEL

Appeal 2010-003757
Application 09/437,815
Technology Center 3600

Before MURRIEL E. CRAWFORD, ANTON W. FETTING, and JOSEPH A. FISCHETTI, *Administrative Patent Judges.*

FETTING, *Administrative Patent Judge.*

DECISION ON APPEAL

STATEMENT OF THE CASE[1]

Jeffrey P. Bezos, Gus Lopez, and Joel R. Spiegel (Appellants) seek review under 35 U.S.C. § 134 (2002) of a final rejection of claims 1-5, 7-9, 31-36, 41-55, and 75-106, the only claims pending in the application on appeal. We have jurisdiction over the appeal pursuant to 35 U.S.C. § 6(b) (2002).

The Appellants invented a way of identifying advertisements to be allocated to on-line display space (Specification 1:3-4).

An understanding of the invention can be derived from a reading of exemplary claim 1, which is reproduced below [bracketed matter and some paragraphing added].

> 1. A method in a computer system for allocating display space on web page instances, the method comprising:
> [1] receiving multiple bids
> each indicating
> a bid amount,
> an advertisement, and
> a requested number of web page instances
> on which the advertisement is to be placed during a time period;
> [2] receiving a request
> to provide a web page instance to a user,

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[1] Our decision will make reference to the Appellants' Appeal Brief ("App. Br.," filed May 20, 2009) and Reply Brief ("Reply Br.," filed November 11, 2009), and the Examiner's Answer ("Ans.," mailed September 15, 2009).

the web page instance including

a display space slot for displaying a single advertisement;

[3] selecting,

based at least in part

on review of bid amounts and

on a likelihood that the advertisement will be placed on the requested number of web page instances during the time period,

a received bid

whose bid amount

is not the highest of the bids

whose advertisement is eligible to be placed in the display space slot of the web page instance;

[4] adding the advertisement of the selected bid

to the display space slot of the web page instance; and

[5] charging the source of the selected bid

the amount indicated by the selected bid.

The Examiner relies upon the following prior art:

Goldhaber	US 5,794,210	Aug. 11, 1998
Copple	US 6,178,408 B1	Jan. 23, 2001
Tulskie	US 6,249,768 B1	June 19, 2001
Davis	US 6,269,361 B1	Jul. 31, 2001

Roth	US 6,285,987 B1	Sept. 4, 2001
Eldering	US 6,324,519 B1	Nov. 27, 2001
Bates	US 6,339,438 B1	Jan. 15, 2002

Claims 1-5, 45-50, 55, 75-81, 87-89, 91-99, 101-105 stand rejected under 35 U.S.C. § 102(e) as anticipated by Roth, or in the alternative under 35 U.S.C. § 103 as unpatentable over Roth and Davis.[2]

Claims 7, 8, 31-35, 41-43, 51, 52, and 82-86 stand rejected under 35 U.S.C. § 103(a) as unpatentable over Roth, Davis, and Copple.

Claims 9 and 53 stand rejected under 35 U.S.C. § 103(a) as unpatentable over Roth, Davis, Copple, and Goldhaber.

Claims 44, 90, and 100 stand rejected under 35 U.S.C. § 103(a) as unpatentable over Roth, Davis, Copple, and Bates.

Claim 36 stands rejected under 35 U.S.C. § 103(a) as unpatentable over Roth, Davis, Copple, and Tulskie.

Claim 54 stands rejected under 35 U.S.C. § 103(a) as unpatentable over Roth, Davis, Copple, and Eldering.

ISSUES

The issues of non-obviousness turn on whether the art describes an auction in which a bid that is not the highest bid is accepted.

FACTS PERTINENT TO THE ISSUES

The following enumerated Findings of Fact (FF) are believed to be supported by a preponderance of the evidence.

Facts Related to the Prior Art

Roth

01. Roth is directed to providing advertisements from a central server to viewers who access web sites. A data base includes information about viewers, information about the characteristics of particular web sites and other information relevant to which advertisements should be displayed for particular viewers. Roth evaluates, in real time, bids submitted by different advertisers in order to determine which particular advertisement will be displayed to a viewer. Roth 1:66 – 2:9.

02. Roth's system selects the highest bid. Roth 2:58-60.

03. Roth describes a Minimize Bid process that the media buyer (i.e. the person who buys the advertising) can set on or off. If the option is set "on" then the system will try to bid the minimum amount necessary to maintain the level of buying that will ensure the desired number of impressions during the time allotted to the media buy. The amount bid will be increased as need to maintain the desired level of buying; however, it will never be increased beyond the maximum bid. Roth 8:32-40.

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[2] This is a condensation of 3 different bases of rejection over Roth and Davis.

Davis

04. Davis is directed to enabling a web site promoter to influence a position within a search result list generated by an Internet search engine. When an Internet user enters the search terms in a search engine query, the search engine will generate a search result list with the web site promoter's listing in a position influenced by one or more parameters defined by the promoter. Davis 4:51-64.

05. A web site promoter selects a search term and influences a position within the search result list generated by that search term by participating in an online competitive bidding process. A competitive bidding process and pricing based on number of web site referrals generated helps ensure that the pricing structure reflects the market and is accessible to advertisers of all budget sizes. Davis 4:65 – 5:17.

06. To participate in the process, an advertiser places bids on search terms that are relevant to the advertiser's web site. Each bid is specific to a search term-web site combination and corresponds to a money amount that the advertiser will pay to the owner of the search engine each time a searcher clicks on the advertiser's hyperlinked listing in the search result list generated by the search engine. The higher the bid, the more advantageous the placement in the search result list that is generated when the bid search term is entered by a searcher using the search engine. The search result

list is arranged in order of decreasing bid amount, with the search listing corresponding to the highest bids displayed first to the searcher. Davis 5:17-40.

Copple

07. Copple is directed to an internet based point redemption method that allows for the quick matching of the redemption of promotional points collected by consumers to promotional items while maintaining a fixed inventory cost for the promotional items. Participants bid on items offered on-line, thereby minimizing the need for inventory controls and nearly instantly tracking the demand for specific promotional items. Copple 1:6-17.

ANALYSIS

Claims 1-5, 45-50, 55, 75-81, 87-89, 91-99, 101-105 rejected under 35 U.S.C. § 102(e) as anticipated by Roth, or in the alternative under 35 U.S.C. § 103 as unpatentable over Roth and Davis.

Independent claims 1, 45, 75, 91, and 101

We are unpersuaded by the Appellants' arguments that all of the bids selected by Davis are the highest bid. App. Br. 42-43. While in Davis, lower bids result in lower ranking, bids of differing amounts are selected, and so some must necessarily not be the highest. Ans. 10-11. FF 06. The Appellants' argument that each rank uses the highest bid for that rank is not commensurate with the scope of the claim. The Appellants chose a very broad negative limitation [3], *viz.* selecting . . .a received bid whose bid

amount is not the highest of the bids. So long as a non-highest bid is selected (for addition in the web page display slot; limitation [4]), as in Davis, the claim limitation is met.

As to an articulated reason to combine, the Examiner found that it was predictable for Roth to select multiple ads to maximize revenue, even where not all the bids were the same, as in Davis. Ans. 12.

Dependent claims 2-5 and 46-49

We are unpersuaded by the Appellants' arguments that the art fails to describe the limitations added by these claims. The Examiner made specific factual findings at Answer 12, which we adopt. These claims all add limitations regarding selection criteria, or eligibility which can be encompassed by display criteria, which would be predictable if they were not actually implied or stated in Roth. The Appellants' arguments that only the art relies only on the bid ignores the simple fact that the advertisements in Roth occur as a result of a search.

Dependent claims 50, 76-79, 92, and 94-96
Independent claim 102
Dependent claim 104

We are persuaded by the Appellants' arguments that the art fails to describe the limitations added by these claims. App. Br. 45-48 and 51-52. These claims add limitations regarding normalization of bids, and additional criteria beyond bid and search criteria. The Examiner made no findings that the art describes these limitations as such, but suggested the limitations might be inferred from the art, except for claims 77 and 50, for which the Examiner made no findings for at all. We cannot see the basis for the Examiner's inference.

Remaining claims

The Appellants argued the remaining claims on the basis of the patentability of the independent claims 1, 45, 75, 91, and 101.

As we have found these claims to be patentable or unpatentable under obviousness, we need not reach the issue of anticipation.

Claims 7, 8, 31-35, 41-43, 51, 52, and 82-86 rejected under 35 U.S.C. § 103(a) as unpatentable over Roth, Davis, and Copple.

We are unpersuaded by the Appellants' argument that the art fails to describe the limitations regarding a bid being based on points for participating in a commercial transaction. Copple shows that the use of such points with bidding systems was known to be useful in increasing participation. FF 07.

As to separately argued claim 41, the limitation argued by the Appellants at Appeal Brief 53 is not in that claim. To the extent the argument is meant to apply to claims 42 or 43, as the Examiner found at Answer 14, advertising strategies are simply designs to promote what is being promoted with the tools available, so such strategies would predictably include media access patterns and propriety of advertising space.

Claims 9 and 53 rejected under 35 U.S.C. § 103(a) as unpatentable over Roth, Davis, Copple, and Goldhaber.

Claims 44, 90, and 100 rejected under 35 U.S.C. § 103(a) as unpatentable over Roth, Davis, Copple, and Bates.

Claim 36 rejected under 35 U.S.C. § 103(a) as unpatentable over Roth, Davis, Copple, and Tulskie.

Claim 54 rejected under 35 U.S.C. § 103(a) as unpatentable over Roth, Davis, Copple, and Eldering.

We are unpersuaded by the Appellants general allegations that the art fails to describe the limitations added by these claims (App. Br. 54-56), as the Examiner presented a prima facie case by making factual findings at Answer 15-17, and the Appellants have not made specific contentions or presented evidence to overcome that prima facie case.

CONCLUSIONS OF LAW

The rejection of claims 1-5, 45-49, 55, 75, 80, 81, 87-89, 91, 93, 97-99, 101, 103, and 105 under 35 U.S.C. § 103(a) as unpatentable over Roth and Davis is proper.

The rejection of claims 50, 76-79, 92, 94-96, 102, and 104 under 35 U.S.C. § 103(a) as unpatentable over Roth and Davis is improper.

The rejection of claims 7, 8, 31-35, 41-43, 51, 52, and 82-86 under 35 U.S.C. § 103(a) as unpatentable over Roth, Davis, and Copple is proper.

The rejection of claims 9 and 53 under 35 U.S.C. § 103(a) as unpatentable over Roth, Davis, Copple, and Goldhaber is proper.

The rejection of claims 44, 90, and 100 under 35 U.S.C. § 103(a) as unpatentable over Roth, Davis, Copple, and Bates is proper.

The rejection of claim 36 under 35 U.S.C. § 103(a) as unpatentable over Roth, Davis, Copple, and Tulskie is proper.

The rejection of claim 54 under 35 U.S.C. § 103(a) as unpatentable over Roth, Davis, Copple, and Eldering is proper.

DECISION

To summarize, our decision is as follows.

- The rejection of claims 1-5, 45-49, 55, 75, 80, 81, 87-89, 91, 93, 97-99, 101, 103, and 105 under 35 U.S.C. § 103(a) as unpatentable over Roth and Davis is sustained.
- The rejection of claims 50, 76-79, 92, 94-96, 102, and 104 under 35 U.S.C. § 103(a) as unpatentable over Roth and Davis is not sustained.
- The rejection of claims 7, 8, 31-35, 41-43, 51, 52, and 82-86 under 35 U.S.C. § 103(a) as unpatentable over Roth, Davis, and Copple is sustained.
- The rejection of claims 9 and 53 under 35 U.S.C. § 103(a) as unpatentable over Roth, Davis, Copple, and Goldhaber is sustained.
- The rejection of claims 44, 90, and 100 under 35 U.S.C. § 103(a) as unpatentable over Roth, Davis, Copple, and Bates is sustained.
- The rejection of claim 36 under 35 U.S.C. § 103(a) as unpatentable over Roth, Davis, Copple, and Tulskie is sustained.
- The rejection of claim 54 under 35 U.S.C. § 103(a) as unpatentable over Roth, Davis, Copple, and Eldering is sustained.

No time period for taking any subsequent action in connection with this appeal may be extended under 37 C.F.R. § 1.136(a). *See* 37 C.F.R. § 1.136(a)(1)(iv) (2007).

AFFIRMED-IN-PART

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